

## INTERNAL REVENUE SERVICE

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We are responding to your correspondence requesting relief in order to establish your date of incorporation as the effective date for your S corporation election. The information submitted explains that you mailed Form 2553, but failed to receive confirmation of acceptance from the Internal Revenue Service. Although we are unable to respond to your request as submitted, this letter provides useful information about correcting your situation.

Based on the *Instructions to Form 2553*, taxpayers are generally notified of acceptance or nonacceptance of their election within three months of date of filing (date mailed). If the IRS questions whether the election was filed, acceptable proof of filing is (a) certified or registered mail receipt; (b) Form 2553 with an accepted stamp; (c) Form 2553 with stamped IRS received date; or (e) an IRS letter stating the election has been accepted. Without such proof, you must follow the procedure set forth below.

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late S corporation elections and inadvertent invalid S corporation elections. Generally, to request relief for a late or invalid S corporation election you must request a private letter ruling from the National Office. The procedures for requesting a private letter ruling are set out in Revenue Procedure 2001-1 (copy enclosed). In addition, Rev. Proc. 2001-1 requires taxpayers to submit a user fee along with their ruling request. The standard user fee for a ruling is \$6,000; however, taxpayers with gross income of less than \$1 million for the last 12-month taxable period will qualify for a **reduced user fee** in the amount of \$500. If you qualify for the reduced fee, your request must include a statement certifying your gross income eligibility; otherwise, you will be charged the higher fee. Please format your letter as shown in Appendix B of Rev. Proc. 2001-1.

Under § 6501 of the Internal Revenue Code, the amount of any tax imposed shall be assessed within 3 years after the return was filed. Therefore, any private letter rulings issued by our office must be limited to the first year considered to be open under

this provision.

If you decide to submit a ruling request, please provide documents supporting your intention to be an S corporation, and include the proper user fee. Please refer your request to our office by adding the following to the address:

Attn: CC:PA:T  
P.O. Box 7604  
Ben Franklin Station  
Washington, DC 20044

Direct to: CC:PSI:B1  
Room 5002

By way of introduction, the IRS has a new small business website which provides specific information and various links to useful non-IRS sites. Visit this new site at [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz). Additionally, you can order a single, free copy of the *Small Business Resource Guide CD-ROM 2001*, by calling 1-800-829-3676. The CD-ROM provides critical tax information including forms, instructions, and publications, as well as valuable business information from a variety of government agencies, non-profit organizations, and educational institutions.

Please keep this letter with your tax records and feel free to provide a copy of it to your authorized representative. We hope that the above information proves helpful.

Sincerely yours,

**/s/ Dianna K. Miosi**

DIANNA K. MIOSI  
Chief, Branch 1  
Associate Chief Counsel  
(Passthroughs and Special Industries)

Enclosures:

Announcement 97-4  
Rev. Proc. 2001-1